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*The Colonial Office,
Whitehall, S.W.*

Thursday, May 5th, 1881.

DEPUTATION

TO

THE RIGHT HON. THE EARL OF KIMBERLEY,

AND

THE RIGHT HON. THE MARQUIS OF HARTINGTON,

FROM

The British and Inter-Colonial
Trade Tariff Union,

ON THE SUBJECT OF

BRITISH AND INTER-COLONIAL TARIFFS.

*[transcript of shorthand notes of A.C. Shelley,
Secretary of the Association].*

LONDON :

G. HILL, STEAM PRINTER, WESTMINSTER BRIDGE ROAD.

1881.

PREVIOUS to the interview the delegates, acting upon a summons to that effect, assembled at the Westminster Palace Hotel, to arrange a programme of proceedings. This having been done, the following consisted of the Deputation :—

THE LORD MAYOR. (Great Britain).
FREDERICK YOUNG, Esq. „
SAMPSON S. LLOYD, Esq. „
W. STRANG, Esq. „
R. R. DOBELL, Esq., (Canada).
W. MILLER, Esq., (Canada).
G. MOLYNEUX, Esq., (Canada).
R. GILLESPIE, Esq., (Canada).
J. H. O'NEILL, Esq., (Canada).
W. WESTGARTH, Esq., (Melbourne).
F. T. SARGOOD, Esq., (Melbourne).
J. D. THOMSON, Esq., (Cape Town).
JOHN GORDON, Esq., (South Australia).
J. L. OHLSON, Esq., (West Indies).
STEPHEN A. RALLI, Esq., (India).

Transcript from the Shorthand Notes of A. C. SHELLEY, Secretary to the Association, 17, Parliament Street, S.W.

The following resolutions were handed in to their Lordships.

The British and Inter-Colonial Trade Tariff Union.

At the Conference of Delegates, convened by the Dominion Board of Trade of Canada from the various Colonies and Chambers of Commerce, to consider the subject of Inter-Colonial Trade Tariffs, held at the Westminster Palace Hotel, on Thursday 11th February, 1881,

SAMPSON S. LLOYD, Esq., BEING IN THE CHAIR,

The following Resolutions were unanimously passed :—

I.

“That in the opinion of this Conference it is a matter of the utmost importance for the promotion of the Commercial interests of the British Empire, and preservation of its unity and integrity, to draw closer the trade relations between its various component territories.”

II:

“That a Committee, representative of the different British Possessions and the United Kingdom, be appointed to take into consideration how best to secure the objects of this Conference, as expressed in the Resolution already passed, and report to the Adjourned Meeting of the Conference to be held at some future time, and that the Executive Committee's Report be circulated among the Delegates summoned to such Adjourned Meeting prior to its being held.

The following were appointed the Committee :—

<i>Great Britain</i>	{	SAMPSON S. LLOYD, Esq.
		CHARLES PALMER, Esq., M.P.
		FREDERICK YOUNG, Esq.
		W. STRANG, Esq.
<i>Canada</i> -	{	COLONEL GZOWSKI.
		R. R. DOBELL, Esq.
		CHARLES CHURCHILL, Esq.
<i>Australasia</i>	{	W. WESTGARTH, Esq.
		J. L. MONTEFIORE, Esq.
<i>India</i> -	{	JOHN A. BULLEN, Esq.
		STEPHEN A. RALLI, Esq.
<i>West Indies</i>	{	SIR GEORGE CHAMBERS.
		NEVILLE LUBBOCK, Esq.
		J. L. OHLSON, Esq.
<i>Cape</i> -	{	J. H. THOMSON, Esq.
		A. J. MACDONALD, Esq.

Accordingly, the Second and Third Conferences were duly held at the Westminster Palace Hotel, on Tuesday, the 29th March, and Tuesday, 5th April, 1881,

SAMPSON S. LLOYD, Esq., IN THE CHAIR,

When the Report of the Committee was submitted for the consideration of the Delegates, and the following Resolutions were adopted :—

RESOLUTION I.

“That, considering the increasing importance of the Colonial Trade of Great Britain, and that her Colonies are without direct representation in the Imperial Parliament, and, considering, also, that Commercial Treaties with Foreign Countries, whereby Colonial interests are deeply affected, are entered upon by the Mother Country without adequate consultation with the Colonies, this Conference is of opinion that in all matters of Imperial or International Treaties where Colonial interests are directly or indirectly involved, an endeavour should be made to ascertain the views of the Colonies, and that proper weight be attached to their opinions.”

RESOLUTION II.

“That it is desirable to form an Association, whose Head Office shall be in London, to be called the British and Colonial Union for the consideration and furtherance of Inter-Colonial Trade, and Trade between the Colonies and Great Britain.”

RESOLUTION III.

"That, considering the advisability of utilizing, as far as possible, the machinery of the present Conference, it is desirable that its Members should resolve themselves into the proposed Association, with power to nominate a Council and to enrol, as members of the Union, any persons who sympathise with its objects, subject to such Laws and Bye-laws as the Council may frame and the Union may adopt. That the Council shall be appointed annually, of which, at least, two-thirds shall be nominated by the Commercial bodies of the Colonies and India, the Union appointing the remainder. Further, that in the representation on the Council of the several Colonies and India, as indicated in the foregoing paragraph, their staple industries, as well as their import and export trade, ought to be taken into consideration."

RESOLUTION. IV.

"That it is desirable that the powers and numbers of the present Royal Commission for the Defence of British Possessions and Commerce abroad should be enlarged, or that another Royal Commission should be appointed with the view to taking evidence on the subject of the Trade and Commercial Tariffs existing and in force between Great Britain, Her Colonies and Dependencies; and that this Conference do appoint a Deputation to wait upon the Right Hon. the Earl of Kimberley, Her Majesty's Principal Secretary of State for the Colonies, and the Right Hon. the Marquis of Hartington, Her Majesty's Principal Secretary of State for India, to urge the consideration of this matter upon Her Majesty's Government."

RESOLUTION V.

"That, considering the vast and increasing importance of the trade between Great Britain and her Colonies and Dependencies, and that no department of the Executive Government exists, which is specially charged with the consideration of the relations under which such trade is carried on, this Conference would record its opinion that it is highly desirable that those functions of the Executive Government of Great Britain which especially relate to Commerce and Agriculture should be administered by a distinct department, under a Principal Secretary of State, who should be a Member of the Cabinet."

Mr. R. A. MACFIE, of the Edinburgh and Liverpool Chambers of Commerce, proposed, and Mr. W. Westgarth, of the Melbourne Chamber of Commerce, seconded a vote of thanks to the Dominion Board of Trade of Canada for taking the initiative in this movement, and congratulated Colonel Gzowski and Mr. R. R. Dobell on the success which had attended their efforts. The vote was put and carried with acclamation; and a similar compliment was paid to Mr. Sampson Lloyd for his able conduct in the chair.

The proceedings then terminated.

A. C. SHELLEY, *Secretary,*

17, *Parliament Street, London, S.W.*

The LORD MAYOR, in introducing the deputation, said that it consisted of gentlemen who represented Chambers of Commerce throughout the British Empire. They had held meetings recently in London, and had come to the following resolution:—"That in the opinion of this Conference it is a matter of the utmost importance, for the promotion of the commercial interests of the British Empire and the preservation of its unity and integrity, to draw closer the trade relations between its various component territories." How that was to be accomplished was a matter that must be left for solution to the future. The deputation wished to bring forward certain statements, which he was sure their lordships would feel worthy of their consideration.

MR. SAMPSON LLOYD: I have had the honour of being put in the Chair at several meetings of this Committee, although I am not connected with the Colonies, but I have nevertheless for many years been deeply interested in the trade of this country both at home and abroad. Not to detain you unduly I will first of all call attention to the great and growing trade of our Colonies: a friend of mine has taken out the statistics of that trade, and he makes out, that from 1870 to 1880 the export of British produce and manufactures to our Colonies has increased by fourteen millions sterling, while that to European States has decreased more than two millions, and that of foreign countries elsewhere has decreased three and a half millions, in the same period. All that shows that our trade with our Colonies is assuming greater importance every year. It is, therefore, of far more importance to us in the future, to foster trade between this country and her Colonies, which shows such an increase, than to devote so much labour and attention exclusively to endeavour to extend our trade with foreign countries. Moreover, it is notorious that much capital is laid out and invested every year in the Colonies by people in this country. The Colonial interests of Great Britain have thus an increasing importance every year. And they have an important bearing on our fiscal policy at home; on such questions as that of sugar bounties; our duties on wines and rum; our grain cargo legislation; and a variety of other things which I need not detail, but which will have to be considered more and more every year with due regard to their growing importance to Colonial interests. Now, I may say that nothing but what I may style, if you please, a sentimental feeling of patriotism and attachment to the Mother country, has induced the 'Dominion Board of Trade,' which is the great central union of the various Chambers of Commerce of British North America, to move in this matter as it has done. I say this, because Canada has been for some time past exposed to very strong and persistent efforts on the part of the United States, to induce her to come under the United States protective system—by which Canada would get free trade with fifty millions of the best customers in the world, living at her

own doors—while she would not lose our market for her own products, though she would be required to impose United States' tariff duties on our exports to her. If this temptation continues to be held out to Canada while we on our part do nothing at all to show that we appreciate our connection with her, and desire to draw that connection closer,—it is in the nature of things that the United States will at no distant day succeed in their object;—at which no doubt they would greatly rejoice. We, in England, I think, owe to Canada and her 'Dominion Board of Trade' a debt of gratitude for continuing to resist that temptation. I think I may say that a great many of us are deeply convinced that the highest interests of the Empire are involved in obtaining as much unity between its component parts as we can, and if it were possible as great a unity as there is between the various states of the American Union, or between those of the German Empire. It is proposed by the Association represented here to-day to endeavour to promote that object by drawing closer in any way that we can the Commercial relations between England and her Colonies, instead of allowing them to be disintegrated by being diverted more and more in another direction. If that is not done, I fear there is reason to apprehend that some disruption of the Empire will be brought about in the future. Canada and the West India Colonies may become absorbed into the United States, while our Australian Colonies may form another Great Republic; thus leaving Great Britain commercially isolated. I will now refer to the resolutions which this Association at its various meetings have arrived at, and which have already been submitted to your Lordships. First of all with regard to resolution No 1, I think that the point there has been already admitted by the Government, viz., that in making treaties with Foreign Powers in future the Colonies should be consulted beforehand upon them. I am informed (since that resolution was passed) that such is the case.

The EARL OF KIMBERLEY: Yes.

Mr. LLOYD: It is very important that it should be so, because the Colonies of France are represented in their Parliament, and I believe that the various 'Territories' of the United States (which are equivalent to our 'Crown Colonies') are also represented in Congress by delegates who have power to speak there, though not to vote. Then, we come to resolutions Nos. 2 and 3, which do not concern your Lordships at all. Then, I come to Resolution No. 4, which is the crucial one. We venture to submit that it is impossible to consider adequately the question of the defence of British possessions without taking into your view those commercial relations which really constitute the chief necessity for considering the defence of British possessions and Commerce abroad at all; and we ask you whether the Government will see it right to add to the powers and duties with which the Royal Commission is charged, that of taking evidence upon the subject of Colonial Tariffs (or of

the Tariffs rather of the Empire) and their bearing and practical effect on the relations of the Colonies with one another, and with the Mother country. I may say that the Royal Commission contains upon it men in whose judgment on these matters (although they are not commercial men), we should feel the greatest confidence; and therefore we submit to the consideration of Her Majesty's Government the desirability of allowing this Royal Commission to investigate the various subjects connected with the Tariffs of the Colonies, what the effect of these Tariffs is, and what we really require—we think it would be very beneficial. It may be said that at the library of the Statistical Society, and at the Board of Trade, they have those Statistics already. But the information, if there, is not readily available to the public, and I am informed that the Board of Trade have only statistics on this subject, which go down to 1865. We think that this existing Royal Commission, if you should see it right, would be a very proper body to commit these inquiries to.

MR. R. R. DOBELL: My Lords, as one of the delegates from the Dominion Board of Trade of Canada, and having been appointed by the Conference to represent them at this deputation, it may not be trespassing too much on your time, and may interest your Lordships to know what part our Board has taken in and what prompted them to initiate this movement. You are well aware of the actual suffering that Canada experienced for a period of years since the United States abrogated the Reciprocity Treaty which we had with them up to 1865.

LORD KIMBERLEY: I never heard of that before. What is it? I thought that you had until recently been rather well off in the matter of trade.

MR. DOBELL: Until recently we have passed through a period of great depression, but we have within the past twelve months experienced a great improvement in our trade.

LORD KIMBERLEY: I thought your trade had been on the increase for years. Do not your last returns show, in common with the rest of the world, that there is somewhat a contraction of trade? I read the speech of the Finance Minister in the Canadian Colony delivered the other day, and I thought he pointed out that there was a recovery, although not much as compared to the contraction for some years back.

MR. DOBELL: There has been a decided recovery within the last twelve months, and our imports from Great Britain have increased.

LORD KIMBERLEY: Still not a recovery in a certain sense, but a recovery from a period of depression which had affected commerce all over the world a few years ago.

MR. DOBELL: It may be true that we have not reached the volume of trade that we had previous to the period of depression, but the change in our fiscal policy has checked the mass of manu-

factured articles that under our former policy were sent in and flooded our markets from the United States and which competed with and sacrificed our local industries in our market; and there is no question that our people are more contented and prosperous under the new tariff.

LORD KIMBERLEY: That is of course a matter of opinion.

Mr. DOBELL: Still, Canada did suffer, and her manufactories and her mills were closed, and upon investigation we traced our depression to that cause. The Canadian Government made several efforts to renew the Reciprocity Treaty with the United States and failed. The Dominion Board of Trade having taken up the question, passed a resolution for two years in succession, that it was more desirable for the interest of Canada and the Empire to draw closer the trade relations between the Colonies themselves, and between them and Great Britain. That with this view a circular letter was addressed from Montreal to all the Chambers of Commerce in the Colonies, submitting copies of the resolution and seeking their advice. Having received replies favourable to the movement, we issued a second circular letter convening the Conference in London. This resolution was submitted to the Conference held at the Westminster Palace Hotel, and it was passed unanimously. You will note, my Lords, that other resolutions have been passed, and while we could not agree as to the best means of arriving at the main object we have in view we were unanimous in agreeing that the present relations of trade between the Colonies and Great Britain were unsatisfactory, and that it was desirable to endeavour to draw closer the union for trade purposes. We also adopted the other resolutions which have been read to your Lordships by the Lord Mayor.

LORD KIMBERLEY: Could you give one some notion of how you propose to draw closer the trade relations of the Empire?

Mr. DOBELL: Speaking simply for Canada, and not as the outcome of the Conference, we might state at once that Canada would be prepared to take the manufactures of Great Britain and all the Colonies on better terms than we would offer foreign countries not granting reciprocal rights.

LORD KIMBERLEY: You would like differential duties?

Mr. DOBELL: Canada would

LORD KIMBERLEY: I thought so.

Mr. WESTGARTH: I represent, with my friend Mr. Sargood and others, the commerce of the Australian group. We have acceded to the request of the Canadian Board of Trade to appear here with them upon the subject of this 4th Resolution.

LORD KIMBERLEY: Do you represent the whole group of the Australian Colonies?

Mr. WESTGARTH: I represent Victoria; but with these other gentlemen I represent Australasia. Although we do not agree in trading views with the Dominion Board, and they have already

found sufficient evidence of that in our discussions with them upon trade matters, we nevertheless have had great pleasure in meeting our fellow citizens of the Empire and from all parts of the world, and have thought that it would be extremely useful to compare our views, although we do not agree, and to come to your Lordships for information which might assist us in our object. Your Lordship has put a very pertinent question as to the resolution which we passed. We certainly agreed, all of us, to pass this resolution which is so general, although, as you said, what is to come next when you speak of drawing closer the trade relations, and how is the Empire to draw them together? Before coming here we felt we would not go into that matter as we do not agree upon the means, but we certainly were all agreed that it was desirable to connect the Empire much more than it is at present. There is a looseness in the connecting-cord all through. Indeed with these almost entirely separate and independent colonial governments, the chief bond is hardly more than loyalty of national feeling. This is a valuable adjunct to Government, but Government cannot safely be left to that only. Intercolonial Tariff arrangements are intimately connected with this question, and the views of the Colonies should be sought out, and discussion and consideration encouraged, and accordingly we have agreed that an Imperial Commission would be extremely desirable for promoting this object in any particular way you think best.

LORD KIMBERLEY: Your resolution is for the promotion of the Unity of the Empire, and to draw closer the trade relations thereof. Now, I should like to know how you propose to draw trade relations closer. Upon what principle?

MR. WESTGARTH: As that question has come up, although we agreed not to bring on the question of Free Trade and Protection at all, I think most of us are disposed to agree with one passage in the despatches of your Lordship of 1871, 1872, and 1873, on the Colonial Tariffs, in which your Lordship stated that if all the Colonies agreed with the mother country in the principle of Free Trade, buying in the cheapest and selling in the dearest market, according to their opportunities, there would be no occasion for Tariff disputations at all. But it was felt that it would be extremely difficult for us to proceed into the details suggested by the first resolution. I may, however, point out to your Lordship that any differences of opinion need not prevent our efforts at getting all the information we can towards coming to some definite conclusions, if such can be at all arrived at. And this we thought could best be done by means of a Royal Commission. I have only one further remark to make. One of the points we should be very anxious to learn about regards the extent of freedom to the various Colonies, and we thought that that evidence could be best obtained by means of the Royal Commission. I have had occasion to read in your Lordship's despatches of 1871-2 on this

question and the Act which passed at your Lordship's instance in 1873, and I think I may infer that no step had been taken in the matter beyond that Act of 1873.

LORD KIMBERLEY: Well, it is for the Colonies entirely to take advantage of it if they think proper. It was an enabling Act.

MR. WESTGARTH: Yes it was. Well, one of the points we had in view was to gather information through the Colonies by means of this Commission which we ask your Lordship to obtain; to take evidence either by an independent commission, or to extend the scope of the Colonial Defences Commission now in existence with that addition to their present duties. Then, as I gathered from reading these despatches, your Lordship was disposed that the Colonies should be united into a Customs Union, or, still closer, under one political Government, as by such union, whether a full union like that of the Canadian Dominion, or a Customs Union merely, we avoided difficulties with the Differential Duties Act of 1850.

LORD KIMBERLEY: The object of the later Act of 1873 was simply this. The Australian Colonies objected to the form of Constitution which prevented them having any special tariffs among themselves. As far as they were concerned we agreed very reluctantly at the time, because we thought the objects were not altogether what they seemed to be, as differential duties against the rest of the Empire, as well as the rest of the world, seemed to be contemplated; but finally we came to the conclusion that the colonies should be allowed to take their own course, and the Imperial Act was accordingly passed. But it may be seen from the despatches that we were by no means eager to pass that Act.

MR. WESTGARTH: I inferred as much, and also that you wished to confine this liberty to Colonial groups, or Colonies adjacent.

LORD KIMBERLEY: We did not go beyond Australia. The Australian Colonies asked for this, and we thought they might have it; and after all it has not come to much, for they have not as yet taken any advantage of it, seeing they are unable to agree amongst themselves.

MR. WESTGARTH: One question now is, may distant Colonies—such for instance as those of Australia and the Dominion—join together with all the Tariff liberty the Act now gives to members of a group?

LORD KIMBERLEY: That is another question altogether; my Act, if I may call it so, was to enable the group of Colonies to join together to obtain a certain object.

MR. WESTGARTH: I think your Lordship's wish was to have the Tariff freedom confined to the group, and not to be open to the Colonies indiscriminately.

LORD KIMBERLEY: We never considered that other question. It was not before us.

MR. F. T. SARGOOD: I was not aware that I should be called

upon to speak, as Mr. Westgarth, the senior representative of Victoria, is present; but having been connected for a very considerable number of years with Victoria I may, perhaps, be allowed to say that, in common with other Colonists, I am anxious to further, if possible, some scheme by which the bonds between the mother country and the colonies may be strengthened. At the same time I am bound to say your Lordship has fairly touched the pith of the matter when you asked how this is to be done; and when you bring forward the fact that notwithstanding the 'enabling Act,' which was passed at your instance, the Colonies up to the present time, despite several efforts, have failed to avail themselves of the Act. I am, however, glad to think that the recent Conference in Sydney will result in, at all events, two of the Colonies (New South Wales and South Australia) coming to some mutual arrangement.

LORD KIMBERLEY: I gathered from reading the report of the last Colonial Conference that there was a possibility of agreement. At least, that was the impression left on my mind after reading it.

MR. SARGOOD: I think your Lordship is right.

LORD KIMBERLEY: I gathered that from reading the proceedings.

MR. SARGOOD: I can only hope that the good example set by these Colonies will be followed by others who, according to my idea, are unwisely carrying out protectionist views in their Fiscal policy. I refer, of course, to Victoria. The question of protection or free trade we endeavour to leave alone, but if the Imperial Government can see its way clear to take any steps by which the objects of this Association can be carried out, I feel sure that such steps would receive the hearty concurrence of your Lordship and the support of the colonists, who, whatever their opinion on fiscal questions, would be happy to supply the Imperial Government with all the information in their power.

LORD KIMBERLEY: You say, the question of protection and free trade must be left aside? But is the whole question that.

MR. SARGOOD: I am well aware it is as you state, but I think we may, at all events for the present, agree to set aside those terms and seek by every means in our power, and by the appointment of a Royal Commission, some means to ensure the closer union of the various Colonies with England as a stepping stone in the direction of a united Imperial Empire. There are other points which would also merge out of this large question, one being as to what, if any, representation the Colonies shall have in the Imperial Parliament. This embraces a very wide subject; but as one having taken some little interest in public matters on the other side of the world, and knowing the feeling of public men there, I do not hesitate to say it is a question which, before many years, will have to be faced by the Imperial Parliament. There is a growing conviction that representatives of the various Colonies (the Agents General, High Commissioners, or whatever they may be called) should have an opportunity

of speaking (not necessarily to vote) in the House of Commons on all questions of Colonial interest. I am bound to say that the discussions which occasionally take place in the House of Commons are read with mingled feelings by the Colonists of satisfaction that their interests are taken up; and often those feelings merge into amusement at the peculiar views which are expressed by the representatives in Parliament, and the absence of information evinced respecting the Colonies. That the House of Commons is desirous of doing what best it can to elicit the truth is acknowledged frankly; but, on the other hand, the Members know very little about the Colonies. This unpalatable fact is expressed by me with all due deference; but I must again repeat that the opinion of most public men in the Antipodes is, that before long, the question of having official representatives of the Colonists in the House of Commons will have to be faced in the Imperial Parliament.

MR. STEPHEN A. RALLI: My Lords, in conjunction with Mr. Bullen, ex-Member of the Legislative Council of Bengal, and Mr. Macfarlane, M.P., I have been named Delegate at the Inter-colonial Conference of the Chamber of Commerce of Calcutta. The first question which the Calcutta delegates had to consider was, whether, being free-traders, and representing a country which more than any other is bound to free trade principles, they ought to take part in this conference. After we had fully discussed this point, and had assisted at the first meeting of the Conference, we decided to join this Association, because we saw that its object was to try to bring closer, if possible, the trade relations between Great Britain, her Colonies, and India. One reason moreover which induced us to do so, was because we saw that while Canada has a population of four million inhabitants, who are large consumers of tea, coffee and tobacco (articles which India produces), the trade of India with Canada in those and other articles is next to nothing, and that this insignificant trade is transacted through England and through the United States, instead of being carried on direct between India and Canada. The Calcutta delegates thought that it was possible, with the help of this Association and of the Governments of England and Canada, to make the trade between India and Canada a direct one, and to increase the same materially to the mutual benefit of India and Canada. This was the reason which induced us to join the Conference and the Association which has resulted therefrom. We think that a closer connection between the United Kingdom, its Colonies, and dependencies, may increase the trade relations between them, and if such an object is to be obtained by our intercolonial union, the result will be satisfactory to all of us.

MR. WM. MILLER: Although representing only a Colony (Nova Scotia) which was virtually forced by the Imperial parliament into

the Canadian confederation and obliged to submit to the Canadian protective fiscal policy, I should like to say a few words regarding the sentiments entertained by Canadians generally, in respect to our inter-imperial trade relations, and I think that I can speak, my Lord, without any prejudice against these views which the present English Cabinet entertains on this subject, as I am and indeed always have been a Free-trader. It must be within your Lordships' memory that, when two years ago, the still existing and extending Commercial crisis first began to make itself deeply felt, the present Chancellor of the Duchy of Lancaster, who, we know, is not only a great politician but a great manufacturer, brought under the notice of his colleagues in the House of Commons these *war tariffs*, which had been so generally adopted by our Colonies, and which had already been so injurious to the trade of Great Britain, and that, in denouncing to the House of Commons this '*war of tariffs*,' as he phrased it, Mr. Bright particularly alluded to the new Canadian tariff which had just been announced by the present government of ~~India~~ on finding itself floated into power by a long gathering but suddenly developed wave of public opinion in favour of the Canada First Commercial policy, a policy with whose aims and objects your Lordships are doubtless perfectly acquainted. Let me remark, however, that this new Canadian tariff, which has been so much abused in this country, has a distinctive principle about it which, I can assure your Lordships, has sprung from and was meant to give expression to a national and patriotic motive, namely the principle that the duties levied under its operation should weigh more heavily upon articles of American than of English manufacture, and it has happened, in consequence of this discrimination between the products of the two Countries that, during the last two years, an increase has taken place in the amount of imports from England into Canada, but on the other hand a decided decrease of imports from the United States. It had been felt by Canadians that the withdrawal of the old reciprocity treaty on the part of the United States and their obstinate and continuous refusal to accept Canadian in exchange for American productions, except at very onerous and disadvantageous terms, called for some decided expression of resentment on the part of Canada, and it was believed that the only way in which the United States could be brought to their senses and persuaded to treat the Dominion in a neighbourly manner was by giving *them measure for measure*. Well, the natural and not unexpected result of this action on the part of Canada towards their great neighbour has been a wide-spread agitation throughout the United States, chiefly by the manufacturing interest, in favour of a new reciprocity treaty with the Dominion, an agitation which has recently taken the form of a very influential and increasingly powerful movement (inaugurated and promoted by personal friends and political supporters of the president now in office) for the formation of an American

Zollverein into which Canada should be admitted as commercially an integral portion of the great North American Commonwealth. The Canadians, however, I can assure, your Lordships, are perfectly loyal, the great bulk of the trading and industrial classes of Canada are perfectly loyal to Great Britain, and they have no desire to see this Commercial Union to the United States take place, as they are afraid of its political consequences.

LORD KIMBERLEY: I thought it was the object of the new tariff to draw the United States into some concession.

MR. MILLER: Into a reciprocity treaty certainly, but, as yet, Canadians have no wish to get one, I believe, on such terms as those I have mentioned.

LORD KIMBERLEY: I thought that it was the very thing they aimed at. Is not this reciprocity treaty the very thing they want to get?

MR. MILLER: Not on condition of being drawn into union with the United States as a part of an American Zollverein, that being the nature of the project for which an agitation is now going on in the United States, and the Canadians see very well that if they join in the proposed Zollverein, it will soon come to be a political connection.

LORD KIMBERLEY: I understand that the Canadians want a reciprocity treaty with the United States, not a Zollverein.

MR. MILLER: Yes, but they, at the same time, feel they must absolutely have, under existing Imperial trade relations, some more intimate and closer commercial connection than they now possess with the immense population of that great adjoining commonalty which might confer an infinite benefit on Canada, at no little advantage to itself, by taking, in return for fair exchangeable value in American goods, all Canada's surplus productions, but which now refuses to take any of them at a reasonable rate, and thus creates for Canada a situation such as would be that of Ireland if this country were to isolate her and refuse to take any of her produce except after subjecting it to a load of hostile and oppressive taxation.

LORD KIMBERLEY: The Canadians say that by bringing retaliation to bear upon the United States they have created a movement in that country for an American Zollverein, but as a Free-trader you are not in favour of such a project?

MR. MILLER: I am not, my Lord, and I repeat that the Canadians generally, both the industrial and commercial classes of Canada, as well as the professional, are not in favour of it, but the principal reason of their unwillingness to enter into such a Union is their strong feeling of loyalty to Great Britain. The Canadians, however, firmly believe that as the British Empire has in its possession a seventh part of the whole habitable globe, with an inexhaustible amount of fertile land, and under its control a fourth part of the human race, this Empire should present commercially, if

not politically, a strong and resistless united front to the world, and that if this country were acting towards the world as even Canada has done to the United States, she would create a universal Free-trade revolution without wounding the legitimate susceptibilities of the United States or any other country, and would obtain and secure for the producing classes, not only of England, but of her Colonies and Dependencies, a virtual Free-trade with all the nations of the world.

LORD KIMBERLY: Should I be wrong in supposing that you would be in favour of a Custom's Union of the Empire against the rest of the world?

Mr. MILLER: I am in favour of a great Customs Union of England with other countries, such as the United States and France, as well as with her Colonies, and if I cannot get a greater Customs Union or Zollverein I would go in for one of the Empire against the rest of the world.

LORD KIMBERLEY: That is not Free-trade.

Mr. MILLER: Mr. Bright, in his last notable speech at Rochdale, what did he say? I had a conversation with him some time before he delivered that speech upon this very subject, and he then said to me, 'It is a grand thing you propose, Mr. Miller, I do not deny it,' and at Rochdale he drew with enthusiasm that splendid picture of a grand Free-trade league between all the English speaking parts of the earth—territories, as he said, comprising a third of the world's population. Now, if Mr. Bright, the prince of Free-traders, publicly used such an argument, even in a modified sense as that I have laid before your Lordship, it can hardly be considered an argument antagonistic to Free-trade.

LORD KIMBERLEY: I think Mr. Bright hardly used an argument favourable to a league for proposing differential duties.

Mr. MILLER: He did not probably mean to go that length, but simply to say 'supposing we had a third of the nations of the earth engaged in Free-trade with each other, would that not even be an edifying spectacle?' or something to that effect.

LORD KIMBERLEY: In Free-trade with each other, and with the rest of the world! I am very much in favour of such Free-trade.

Mr. MILLER: But if we cannot get Free-trade with the rest of the world, we had better at least have it between ourselves.

Mr. FREDERICK YOUNG: Before your Lordships reply, I am most anxious to say one single word. Feeling assured of your Lordships' sympathy, and that of the Government with the general objects of the deputation, namely, to draw closer the bonds of union between the Colonies and the Mother Country, we have been induced to ask your Lordships to grant a tribunal before which evidence may be taken as to the Commercial relations between this country and the Colonies and India; and also between themselves and Foreign Countries; and have suggested that the Royal Commission now

sitting should be enlarged both in numbers and powers to take such evidence, or if that is not practicable, then we propose the alternative, that a new Commission should be granted for that purpose.

LORD KIMBERLEY: Quite so.

MR. LLOYD: One of our resolutions was in favour of a Minister of Commerce and Agriculture.

EARL OF KIMBERLEY: I will just say a word as to the last point. That seems hardly to be a matter for Lord Hartington and myself. It has been discussed in Parliament, and it is a subject which you should rather bring before the head of the Government than before us. Now with regard to the main points you have brought before us I must say that my views of Free Trade are different from those entertained by the last gentleman. I differ from those in this room if their views agree with those I have just heard. I think I hit upon the right interpretation of these resolutions when I asked the question whether you did not aim at a Customs Union keeping out the foreigner. One gentleman referred to a despatch of mine which I am glad to find expressed such sound doctrine, namely, that if the Colonies adopt our Free Trade policy and frame their Tariffs only with reference to fiscal requirements, there can be no question between us at all. Being a Free Trader, as I am, and believing in the soundness of our policy at home, I desire to see it pursued by all our Colonies, and I do not see that we can do more than give them that which they are not always anxious to listen to—advice—and urge them to follow our example, which I think is much more calculated to bring them round to our commercial views. If I were to ask how the first resolution should be carried into effect, namely, 'That in the opinion of this meeting it is a matter of the utmost importance for the promotion of the commercial interests of the British Empire, and preservation of its unity and integrity, to draw closer the trade relations between its various component territories,' I should not have the slightest difficulty whatever in saying how it ought to be accomplished, namely, that there should be a Free Trade tariff in every one of the Colonies. The Canadians have abandoned Free Trade and adopted a protective policy, which I am sorry they have done. If any Colony has reason to complain that there is anything in our tariff offending against the principles of Free Trade, I think they will find hearty listeners in the present Government. As regards the request for an enquiry, I do not see any ground in the argument put forward for such an enquiry. If there is any doubt as to what the tariffs of the different Colonies are, I should be most happy to procure—what I am sure the Colonies would readily furnish—ample evidence as to their existing tariffs. With regard to their tariffs which are all settled by their own Governments,

I must confess I think they are much more competent to take a rational view of their own affairs than I should be in this room, or than would be done in the House of Commons sitting at Westminster. But there is no precise object to be gained by such an inquiry, because you want something in the nature of reciprocity, whereas, I think free trade is the sound commercial policy, the tariffs are well-known in this country, and the policy of the different Colonies is well-known. For example, we know what the policy of Canada is, and we regret that the Canadians should have pursued that policy, but respecting, as we do, their self-government, we have not interfered, though we have witnessed it with regret, and we live in hopes that they may eventually come round to sounder views. I understood from the interesting speech which I lately read of the Canadian Minister of Finance, that from the Canadian point of view, the policy pursued has been extremely successful, but I differ from it; and I cannot illustrate such a policy better than by repeating an anecdote related by that Minister. He said: 'He had been talking to an American manufacturer of agricultural machines, who told him that formerly those machines were procured from the United States, now they are procured from Canada, and the American manufacturer, Your tariff has done for our trade.' That may be considered a triumph in Canada, but the result is that the Canadians will have to pay more for their machines than they could have got them for from the Americans; and I wish the finance Minister could have read (which I think he could not have done) Monsieur Bastiat's famous argument that 'if you were to keep the sun out by Act of Parliament, you would promote the manufacture of candles.' I mention this little matter to show that there is the greatest possible difference of views between us, and that being so, I do not think an inquiry could be of any use, as there is no probability of our coming to any agreement such as you desire. With regard to the Australian Colonies, of course, in passing the Act which has been referred to, our desire was to promote closer intercourse between those Colonies which are divided by artificial boundaries. We felt that it would be wrong when they expressed a desire to make an arrangement between themselves that we should stand in their way, and we left them to act as they pleased. If they should come to an agreement, as I hope they will, and that it will be one on Free Trade principles, then it will be a thing which we shall all greatly rejoice in. At the time when the Act was passed I rather feared the tendency was the other way, but now I believe on the whole except Victoria, the tendency is much more in the direction of Free Trade. We have, however, not the slightest desire to dictate to the Colonies who have representative Government, what way they should do. I do not know that there is any other point which I need touch upon; nearly all turn upon the first and fourth Resolutions; but I should

like to say one word more as to the first resolution, only to confirm what was said with regard to treaties with foreign powers. It is quite true that we have had that point carefully in view since I have been in office, and we have made arrangements with the Foreign Office that in all cases where treaties are to be negotiated, in which the Colonies are affected, that the Colonies should have the opportunity to make their voice heard, and that as far as possible we should not make treaties without first of all their wishes being ascertained, and we have put Sir Alexander Galt in direct communication with certain foreign Governments with whom the Canadians wish to enter into some arrangement. On that point I entirely agree with the Deputation, and I think it is of great importance for the unity of the Empire, that we should take care that all these Treaties are carefully considered, and as far as possible communicate with the Colonies in all cases before they are eventually concluded. (Hear, hear.)

MARQUIS OF HARTINGTON: As Lord Kimberley has expressed the views of the Government so fully, and as so little has been said upon the subject of India, it is only necessary for me to say one word. Although Lord Kimberley has explained that there is so much difference of opinion between the great majority of the Speakers of the deputation and Her Majesty's Government, that it would be almost useless to frame instructions upon which any enquiry should be instituted, still, I think it is satisfactory to see that representatives of different colonies and dependencies of this country meet in London to consider and discuss questions involving the principle of Trade considerations. As far as India is concerned the wants, wishes, and interests, of that Empire are tolerably well represented in this country. India is to a certain extent governed by this country, and at all events there exists a Government and an organization which is always ready to listen to any representation that may be made in which any class of the community in India or any class interested in Indian trade, who would be always disposed to give their assistance to any particular measure which may be pointed out to them as tending in any way to increase trade and commerce. I am sure that, as Mr. Ralli said, the Government in India and also at home will be at all events ready to give their most cordial co-operation to it. As regards India I think very little can be done in the way of improving its trade and the conditions of its tariffs. I must point out that a great reduction in the revenue of India has been made in the last twelve months—a reduction of something like thirty-three per cent. ~~as~~ The Indian tariff ~~is~~ is, generally speaking, I will not say entirely, an excise tariff, but simply one proposed for Revenue purposes. We encouraged the Government of India to proceed in that course, and I have reason to hope will in the end be found—although there is considerable opposition to Free-trade in India—

to be one most conducive to their own trade and their own prosperity. I will not detain you longer; I would only say that although there does not seem a probability, or a unanimity, in coming to an agreement as to the primary object the Deputation have in view, I will be anxious at all times to consider suggestions that may be made.

MR. MILLER: May I be allowed, Lord Kimberley, to ask a question, your Lordship's answer to which would, I am sure, greatly interest the deputation?

LORD KIMBERLEY: Certainly.

MR. MILLER: Do you think, my lord, that in the event of it being impossible to retain the unity of the Empire without some modification of England's Free-trade policy it would be better to give up the hold upon our Colonies than to surrender Free-trade as understood by the present Government?

LORD KIMBERLEY: That seems to me a question I am not called upon to answer here. I will say nothing with regard to the general question of the unity of the Empire, because that is a very large political question indeed, and scarcely comes under the question of trade alone, but I think there is very little probability of the Free-trade policy being reversed in this country; indeed, I believe, apart from everything else, that, in the present condition of our trade, it would be absolutely impossible to do so even if you were to try.

MR. WESTGARTH: I wish to correct an impression which seems to weigh on your Lordship's mind, and which I feel sure is a mistake. Your Lordship remarked that you thought we all differed from the Home country's Free trade Principles; but one remarkable consequence of our coming together upon the Dominion Board's invitation was this, that it was found that a decided majority of the representatives present went entirely with the Home Government in the matter of Free trade.

LORD KIMBERLEY: Well, I can only say that I judged and formed my opinions from what was submitted to me, but I am extremely pleased at what you have said, and I must say that meetings of Delegates of different Colonies must necessarily be productive of good results if only for this, that, I believe, the more the subject is considered and the more the different Colonies come to understand each other's interests, the more likely are they to adopt what I believe is the sound policy, viz., Free Trade; and, besides, there is no doubt that trade is likely to be benefited by interchange of ideas on the subject.

The LORD MAYOR thanked their lordships for their courteous reception, and the Deputation retired.